

Environment First Fund Appropriations Bill Senate File 436

Last Action:

**Senate Appropriations
Committee**

March 31, 2003

An Act making a supplemental appropriation to the Environment First Fund from the Cash Reserve Fund and including an effective date.



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**LEGISLATIVE FISCAL BUREAU
NOTES ON BILLS AND AMENDMENTS (NOBA)**

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**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**SENATE FILE 436
ENVIRONMENT FIRST FUND APPROPRIATIONS BILL**

**CASH RESERVE FUND
APPROPRIATION**

- Appropriates \$16.6 million from the Cash Reserve Fund to the Environment First Fund for FY 2003. (Page 1, Line 1)

REVERSION OF FUNDS

- Requires any unobligated funds from FY 2003 Environment First Fund appropriations to revert to the Cash Reserve Fund at the close of FY 2003. This provision does not apply to the Soil Conservation Cost Share Program. (Page 1, Line 6)
- Requires that the total amount that can be transferred from the Environment First Fund to the Cash Reserve Fund shall not exceed \$16.6 million, and that the reversion provisions in this Bill do not apply to the Soil Conservation Cost Share Program. (Page 1, Line 13)

**CONTINGENCY FOR U.S. SUPREME
COURT RULING**

- Requires that if the United States Supreme Court rules in favor of the State concerning the litigation of racetrack taxation after the close of the current fiscal year, an amount of up to \$16.6 million will be transferred from the Rebuild Iowa Infrastructure Fund to the Cash Reserve Fund. (Page 1, Line 19)

EFFECTIVE DATE

- This Bill takes effect upon enactment. (Page 1, Line 28)

Senate File 436

Senate File 436 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
1	6	2	Nwthstnd	Sec. 8.33 and Sec. 22.1, Chapter 1173, 2002 Iowa Acts	Reversion of Environment First Fund Appropriations

1 1 Section 1. ENVIRONMENT FIRST FUND. There is appropriated
 1 2 from the cash reserve fund to the environment first fund for
 1 3 the fiscal year beginning July 1, 2002, and ending June 30,
 1 4 2003, the following amount:
 1 5 \$ 16,555,000

Cash Reserve Fund appropriation for FY 2003 to the Environment First Fund.

DETAIL: The appropriation provides funding to cash flow the FY 2003 environmental programs that received appropriations from the Environment First Fund. The Environment First Fund is experiencing cash-flow difficulties due to a funding shortfall in the Rebuild Iowa Infrastructure Fund (RIIF) brought on by the Iowa Supreme Court ruling that reduced the State tax on racetrack establishments.

1 6 Sec. 2. CASH RESERVE FUND.
 1 7 1. Notwithstanding section 8.33 and the nonreversion
 1 8 provision in 2002 Iowa Acts, chapter 1173, section 22,
 1 9 subsection 1, moneys in the environment first fund remaining
 1 10 unencumbered or unobligated at the end of the fiscal year
 1 11 beginning July 1, 2002, shall be transferred to the cash
 1 12 reserve fund.

CODE: Requires that the unobligated funds from FY 2003 Environment First Fund appropriations (except for the Soil Conservation Cost Share Program) revert to the Cash Reserve Fund at the close of FY 2003.

1 13 2. Notwithstanding subsection 1, the total amount
 1 14 transferred pursuant to subsection 1 shall not exceed
 1 15 \$16,555,000. The transfer to the cash reserve fund specified
 1 16 in subsection 1 shall not apply to any unencumbered or
 1 17 unobligated moneys that are not to revert as provided in 2002
 1 18 Iowa Acts, chapter 1173, section 22, subsection 2.

CODE: Requires that the total amount transferred from the Environment First Fund to the Cash Reserve Fund shall not exceed \$16,555,000, and that the reversion provisions in this Bill do not apply to the Soil Conservation Cost Share Program.

1 19 Sec. 3. CASH RESERVE FUND. If the United States supreme
 1 20 court ruling is decided on or after July 1, 2003, in favor of
 1 21 the state's taxation of the adjusted gross revenues from
 1 22 gambling games at racetrack enclosures, and results in
 1 23 additional tax revenues being deposited into the rebuild Iowa
 1 24 infrastructure fund, an amount of the additional tax revenues
 1 25 equal to the difference between \$16,555,000 and the amount
 1 26 transferred to the cash reserve fund pursuant to section 2 of
 1 27 this Act shall be transferred to the cash reserve fund.

Requires that if the United States Supreme Court rules in favor of the State concerning the litigation of racetrack taxation after the close of the current fiscal year (FY 2003), an amount of up to \$16,555,000 will be transferred from the Rebuild Iowa Infrastructure Fund to the Cash Reserve Fund.

1 28 Sec. 4. EFFECTIVE DATE. This Act, being deemed of

Specifies that this Bill is effective upon enactment.

1 29 immediate importance, takes effect upon enactment.

1 30 EXPLANATION

1 31 This bill appropriates \$16,555,000 from the cash reserve
1 32 fund to the environment first fund for FY 2002-2003. The bill
1 33 provides that any moneys that are not obligated in the
1 34 environment first fund at the end of FY 2002-2003 are to be
1 35 transferred to the cash reserve fund, except for unobligated
2 1 moneys for soil conservation practices. In addition, if the
2 2 United States supreme court rules in favor of the legality of
2 3 Iowa's tax on the gross receipts from slot machines at the
2 4 racetracks then any additional tax revenues deposited into the
2 5 rebuild Iowa infrastructure fund are to be transferred to the
2 6 cash reserve fund in an amount equal to \$16,555,000 less the
2 7 amount transferred from the environment first fund.
2 8 The bill takes effect upon enactment.

2 9 LSB 3415YC 80

2 10 mg/sh/8

Trans., Infra., and Capitals

Non General Fund

S.F. 436	Actual FY 2002 (1)	S-Senate Approp FY 2003 (2)	Page & Line Number (3)	Bill Number (4)
<u>Management, Department of</u>				
Environment First Fund - CRF	\$ 0	\$ 16,555,000	Pg 1, Ln 1	S.F. 436
Grand Total	<u>\$ 0</u>	<u>\$ 16,555,000</u>		